



Rebuild Iowa Task Force Housing Meeting Notes

Governor Chet Culver
Lt. Governor Patty Judge, RIO Executive Director

**October 14, 2008 – 9:30 am – 3:30 pm
Iowa Department for the Blind – Assembly Room
524 Fourth Street, Des Moines, Iowa**

Task Force Members Present:

James Davis, Charles City, Task Force Chair
Nitza Lopez-Castillo, Columbus Junction, Task Force Chair
Tracy Achenbach, Butler County REC, Clarion
Lorie Bennett, City of Humboldt
Bobbi Bendickson, Habitat for Humanity of Iowa, Mason City
Pam Carmichael, Home Inc., Des Moines
Anthony Carroll, AARP Iowa, Des Moines
Senator Rob Hogg, Iowa General Assembly, Cedar Rapids
Vince Lintz, Iowa Department of Economic Development, Des Moines
Sheila Lumley, Polk County Housing Trust Fund, Des Moines
Bret Mills, Iowa Finance Authority, Des Moines
Bob Mulqueen, Office of Energy Independence, Des Moines
Representative Kraig Paulson, Iowa General Assembly, Hiawatha
Representative Tom Schueller, Iowa General Assembly, Maquoketa

Resource Group Members Present:

Mickey Carlson, Iowa Finance Authority and Iowa State University, Adel
Karen Cooney, City of Muscatine
Gary Dodge, Federal Home Loan Bank, Des Moines
Len Sandler, The University of Iowa, Iowa City
Drew Skogman, Skogman Homes, Cedar Rapids
Keith Smith, Landlords of Linn County, Marion
Susan Whitson, First National Bank, Waverly

Staff:

Ben Banowetz, SPPG
Arlinda McKeen, SPPG
Joe O'Hern, RIO/Iowa Finance Authority
Michelle Rich, SPPG

Welcome and Opening Comments

Co-chair Jim Davis welcomed the Task Force back to work. The progress since the last meeting was noted, as well as the importance of housing in the lives and communities of Iowans impacted by this year's disasters. Also noted with additional emphasis was the impact of the disasters on older Iowans. Davis explained the broad overlap of case management in the disaster recovery, and the idea that case management and recovery are inseparable.

The process for completing the 120-Day Report to the Governor was explained. The Task Force was charged with making recommendations that are then moved on to policymakers. At their last meeting, the Task Force identified three different timeframes of recommendations. Those recommendations then went on to the Rebuild Iowa Advisory Commission (RIAC) to make their recommendations. Many of the Housing Task Force's recommendations made it into the final report of the RIAC to Governor Culver. It was explained that the Task Force will be given the opportunity to ask questions and describe their unique viewpoint.

Task Force and Resource Group members introduced themselves.

McKeen explained the scope of the Task Force discussion for the day and what would be expected from the Task Force. Many housing issues still need to be resolved, and that is why the Task Force has reconvened to develop a longer-term vision for Iowa's recovery. The Task Force would discuss a vision for housing in Iowa and strategies to achieve this vision. The Advisory Commission's job is to think holistically about the recovery and rebuilding of Iowa and its communities.

The commitment of the Housing Task Force's co-chairs was recognized. The first meeting of the Task Force produced recommendations for meeting the immediate needs that existed after the disasters. The Task Force must now look at the bigger picture – five, ten, and twenty years down the road. The Task Force must ultimately decide on a vision for recovery. The Task Force may refer back to the Advisory Commission's recommendations from the 45-Day Report, but also must think more visionary in developing recommendations to meet long-term needs. It was noted that there were many overarching issues between the task forces during the process for developing the 45-Day Report, and that the process for developing the 120-Day Report will be summarized in a single Task Force Report that will go to the Commission.

Banowetz asked Task Force members to provide updates from their local communities, including good initiatives that are underway, issues that have yet to be addressed, good starts, or anything else the Task Force members would like to share.

Sheila Lumley of the Polk County Housing Trust Fund noted that home restoration is underway in Polk County in four specific areas. The Trust Fund is addressing housing needs in the community, and others are looking into case management. The Jumpstart program should help those affected by runoff in basements and other damage. The Trust Fund has a lot of people calling about applications and the organization is helping these individuals with those concerns. The Christian Reformed World Relief Committee (CRWRC), known around the nation as the "Green Shirts," provides individuals comprehensive assessments and then helps people go through the process to access specific programs. Cedar Rapids is utilizing the services of this organization, but Des Moines has not had any communication with this organization.

Lumley further noted that people were ready for FEMA checks and didn't necessarily spend those funds on home restoration. Organizations like the Trust Fund do not want to duplicate funds, but also want to ensure that the community's needs are met. The Trust Fund is assessing this issue now.

Bobbi Bendickson of Habitat for Humanity of Iowa explained that progress is inconsistent across the state. Habitat for Humanity has found that some in Mason City are not doing very well. Some homes in Mason City still have water in the basement. Bendickson explained that the organization is developing programs so more people will access them. Habitat is having

difficulties fitting its model within structures of recovery that are being utilized in the state. Habitat for Humanity has recognized that, basically, people in Cedar Rapids and other devastated communities need money, and the organization is working to do this, albeit slowly.

Pam Carmichael of Home, Inc. recognized Des Moines' good outreach efforts during this recovery period. Home, Inc. has not been receiving many calls from victims, so it had been hard to assess who was getting help and if there were unmet needs nonprofits were not knowledgeable of. Coordination is putting pressure on county and city government and straining the capacity of these entities. Home, Inc. had been asked to help with counseling flood victims and providing inspectors, as well as to do some intermediate flood write-ups. Des Moines' response was great because the city prioritized by first establishing buy-outs, then rebuilding, and now the city is moving on.

Keith Smith of Landlords of Linn County shared his discussions with flood-impacted landlords and that there are still unmet needs. As part of the first phase of Jumpstart, the needs of landlords were not included, but there are also the needs of tenants to consider. Smith explained that he was experiencing vacancies in certain areas, particularly in multi-family homes. In the case of single-family dwellings, there are many families looking for a place to put their kids' toys, and animals. Pets don't fit well with multi-family housing. Landlords of Linn County is currently working on a survey and collecting contact information from respondents.

Landlords are not looking to take on more debt, like that taken on with Small Business Administration loans. These businessmen and women are providing much of the low-income housing for their communities. Their tenants are parts of the communities, and these families are oftentimes looking for single-family properties. Smith noted that he currently has a waiting list of 60 days. It is important to get these people into homes before it turns cold. A majority of homes in Cedar Rapids are unoccupied and there is clearly an unmet need.

Susan Whitson of First National Bank of Waverly acknowledged the impact of housing market issues on the elderly and low-income. Floodplain concerns are slowing down meeting housing needs right now. Flood mapping is probably the biggest barrier to moving forward.

Tracy Achenbach of Butler County REC added that many people, while excited about Jumpstart, are unclear about whether they are going to have their house acquired or not. People may be holding back because of this; they are applying for the funds, but feel they cannot move forward yet.

Joe O'Hern of the Iowa Finance Authority and the Rebuild Iowa Office (RIO) explained that there are currently sufficient Hazard Mitigation Grant Program (HMGP) funds for the acquisition of homes that meet the requirements of the program. A property must meet certain standards to apply for the program, but the community has to make the final decision to acquire the property. And this property has to remain green space after the housing is acquired.

Home buy-outs were further discussed, including the perspective of cities making decisions on neighborhoods in which to institute a buy-out program. An issue for neighborhoods affected by flooding is meeting these requirements for buy-outs through programs such as HMGP and Community Development Block Grants (CDBG). Caps and application deadlines were noted as impediments to quick community recovery.

Karen Cooney of the City of Muscatine shared the story of an elderly man impacted by the flooding and the importance, and limitations, of case management as a part of recovery

initiatives. The City of Muscatine has partnered with their local United Way to institute case management in Muscatine County. An 89-year old man in the area had always taken care of himself independently. Prior to the flood he lived in a hotel in the floodplain area and did not have much. The night before the floods this man was uprooted from his home with only the clothes on his back. He received emergency funds from the Federal Emergency Management Agency (FEMA), but had to pay out \$600 for a hotel room in another community. At this same time a local employer was striking and its workers flooded the rental market. Other things for this man began to pile up – transportation, food, etc. By the time he reached out for help he had less than \$5 in his pocket. A caseworker sat down with this man, but became overwhelmed trying to help him. We got him a single-family house, but were not able to help with furniture. A refrigerator did not arrive until two weeks after it was promised. When the caseworker went to visit him one day, there were a number of new furnishings – he had gone to a Rent-A-Center where they talked him into all the new furnishings. He didn't want to come to ask questions of the case manager. This story reflects the limitations of case management.

Progress Reports

O'Hern provided an update on Rebuild Iowa Office activities. The last disaster recovery center in Cedar Rapids will close shortly. 35,000 Iowans have registered for FEMA assistance. FEMA has provided funds for rental assistance and housing repair assistance. SBA is currently running about \$238,000 in small business loans. The FEMA public assistance program has obligated over \$400 million in disaster recovery projects. One issue that arose at the last meeting of the Housing Task Force was the need for immediate housing assistance. FEMA assistance has helped meet most of this need. Iowa was the first state approved by FEMA for a rental repair pilot. FEMA is still figuring how best to implement the program, but seven rental units have been approved for rehabilitation thus far. The first of these units should be occupied in the next few days.

Bret Mills, Director of Iowa Finance Authority (IFA), provided an update on the Jumpstart program and other state housing assistance programs. The first-time homebuyer requirement has been waived and the tax credit has been raised. The homebuyer limit in disaster counties has been raised to \$287,000. These increases were made possible by a bill signed into law in July of this year.

Mills provided an update on the Jumpstart program being administered by IFA and disbursed by regional Councils of Government and Entitlement Cities statewide. Assistance available through the program includes housing repair assistance, down payment assistance, mortgage assistance, and assistance to purchase energy-efficient housing materials and products. Efforts are being coordinated with the Iowa Mortgage Help Network as well as other counseling programs in partnership with area nonprofits.

IFA recently approved another program for low-income housing tax credits. Iowa will receive \$20 million in low-income housing tax credits as part of a larger Disaster Recovery Bill recently passed by Congress. Limits have been adopted for these funds. The cap is now \$3 million per project. In this market, cash is so scarce that IFA wants to be competitive with neighboring states and other disaster areas.

As part of the same legislation, IFA received an additional \$2.6 billion in bonding capacity. The federal government provided additional uses of the bonding beyond the traditional focus on manufacturing. Additional allowable uses include commercial buildings. IFA expects this to be a valuable tool in financing various recovery and rebuilding projects.

Task Force discussion followed on the Jumpstart program. Concerns were expressed regarding the slow mechanism for releasing the Jumpstart funds, particularly in the Cedar Rapids area where homes are still vacant awaiting buy-out or renovation. It was explained that the Jumpstart program and the mechanisms for distributing the funds was designed to not be overly prescriptive for the local entities in hopes of best matching local needs to the state funds available. Ultimately, how funds are distributed, to whom, and the timetables for distributing funds lies in the local entities making these decisions, the regional COGs and Entitlement Cities. Each locality impacted by the disasters is in the midst of unique recovery efforts, so how these funds are distributed is going to be unique.

Concerns were expressed about housing starts, particularly in the Cedar Rapids area. The process for buyouts and subsequent recovery programs was discussed, including how the state is supporting the communities with the Jumpstart program. Vince Lintz of the Iowa Department of Economic Development was on hand to answer questions concerning how the state is working with local entities to make decisions regarding the various recovery programs, including Enterprise Zones, CDBG, and Jumpstart. Further frustration was expressed on the slow movement of the programs, especially in Cedar Rapids. It was explained that the stunted progress in rebuilding housing stock lies primarily in the draw-down of federal funds and maximizing the various federal, state, and local funding streams to be most effective in utilizing public resources. Waiting on federal dollars can slow the process significantly, but is integral to maximizing public funds for recovery.

Lintz provided an update on programs administered through the Iowa Department of Economic Development (IDED). CDBG income limits are established at 80% or below the median income. Landlords are now eligible to receive rehabilitation funds through the CDBG program. Funds have also been received for neighborhood stabilization. These funds are aimed to assist foreclosed units. IDED can buy these properties and rehab or demolish those structures deemed inhabitable. These funds will most likely be distributed through the six regional COGs and some of the Entitlement Cities.

For the Jumpstart program, since state funds were used, the restrictions frequently in place were not required to receive the initial Jumpstart funds. When the CDBG funds begin to be used for small business assistance, those restrictions cannot be lifted, in some areas including environmental, lead-based paint testing, income requirements, and SHPO. Task Force members expressed the concern that these requirements will slow the process of rebuilding because there are not sufficient numbers of contractors available that are certified in lead abatement and other areas. Lintz explained that IDED will provide funds for certifying more contractors on these practices, but the Task Force noted that trainings are not readily accessible. The concern was also raised that there is not an adequate number of inspectors available for the rebuilding that needs to take place.

Julie Struck of the Rebuild Iowa Office presented an update on Long Term Recovery Committees established across the state for help in providing case management services to individuals and families impacted by the disasters. The Committees are made up of local non-profits and faith-based organizations that respond in the time of crisis. These Committees will be distributing donated funds from Embrace Iowa and donated resources such as furniture. Comprehensive needs assessment reports from the "Green Shirts" of the CRWRC go to the Long Term Recovery Committee in the area. Cases are based on priorities designated by the Committee and a plan is developed for each family in need. Families in FEMA mobile homes may already have a housing plan in place. Based on these plans, the Committee makes a decision on which funds are best used to meet the family's needs. Currently, Lutheran Services

is providing case managers and case advocates are available by volunteers. These Committees have been designed to remain in place providing services to families impacted by the disasters for the long term, with the recognition that these families will need case management services well into two to three years or longer down the road.

Susan Dixon of the Rebuild Iowa Office provided an update on the ESF 14 process being utilized by Iowa communities for community-wide recovery. ESF (Emergency Support Function) 14 looks primarily at how a community can recover long term and on a community-wide basis, engaging local stakeholders in the process. Greensburg, Kansas is an example of a community that utilized this support. Currently Iowa ESF 14 is working with FEMA and looking at two primary pieces: 1) level of impact; and 2) community capacity for recovery. Cedar Rapids, for instance, was hit very hard but also has the capacity for long-term recovery. Small towns such as Oakville were also hit very hard, but have far less capacity for long-term recovery. Extensive outreach has been on-going in many impacted communities, including Iowa City, Oakville, Cedar Rapids, Waverly, Coralville, Palo, among others. Services are tailored to the unique needs of the communities. Processes are underway now that are aimed at developing a community-wide vision for recovery and identification of strategies to achieve this vision. A RIO representative is currently working with Cedar Rapids to resolve some of their issues. FEMA support is very heavy in this process in the first three months. FEMA engagement will end in November, but they will follow-up later in the community's progress. RIO will see these communities forward as the office begins to take on more of a long-term recovery focus. The primary value of FEMA involvement is that the agency gets the attention of SBA and other vital resources that small communities may not otherwise access or have knowledge of themselves.

Task Force Issues Review

Banowetz led the group through the recommendations of the Housing Task Force from its previous meeting and the RIAC 45-Day Report [*projected on screen for group*].

The Task Force was asked to identify any new issues that have arisen, or may not have been addressed, since the last meeting of the Housing Task Force.

The Task Force identified the following issues:

- Educating people on federal guidelines.
- Encouragement of livability and universal design in rebuilding efforts.
- Public outreach regarding available programs for recovery – online self assessment.
- Central point of information – example: Louisiana's hurricane recovery website.
- Meeting long-term housing needs – immediate needs filled, but some of these immediate needs were met by temporary housing.

The Task Force discussed meeting emergency housing needs that have not yet arisen. Many individuals and families may not have identified themselves as needing temporary housing up to this point, but may require housing assistance in the next few months. FEMA will continue to maintain mobile homes so as people surface the state will have those resources to meet these immediate needs. The state also has rental assistance available as these needs surface during winter. If people have not yet registered with FEMA, they can still try to get to the Cedar Rapids Disaster Recovery Center that will be open only for another few days. For people registered with FEMA, the Iowa 1-800 number is still active to take information from people on their immediate needs. The national FEMA hotline is hard to get through due to the summer's hurricanes in the Gulf.

Additional new issues identified by the Task Force:

- Discouraging rebuilding in floodplains.
- Expediting rebuilding – sufficient contractors and inspectors, increasing housing starts.
- Affordable housing.
- Comprehensive land-use policies.

Davis asked the group to reconvene after the lunch break and explained the goal of the afternoon. The Task Force must develop recommendations that will then be shared with the RIAC for further consideration for their 120-Day Report.

Identify Priority Issues for Achieving Long Term Recovery

McKeen asked the group how they can best focus their thoughts and develop consensus recommendations for consideration of the RIAC. McKeen asked the group to look through the RIAC's 45-day Report subsequent recommendations and referenced the last three pages of the handout provided to the group. *[projected on screen for the group]* McKeen first noted the importance of case management in all Task Force recommendations. McKeen asked the group to identify any other elements that should be included in that recommendation.

The Task Force discussed gathering basic information from victims that could be used in decision-making. Confidentiality issues slow this effort. FEMA and SBA both collect this information, however victims must sign a waiver to share their information. The Task Force acknowledged that it was very hard to develop programs to meet the needs of disaster victims with little information about them. Many local entities have information-sharing agreements with FEMA and have the ability to acquire information to help specific citizens. The Task Force agreed that this information needed to be aggregated this to start meeting their needs.

The issue of a single point of entry in disaster recovery was discussed. The Task Force agreed that it would be beneficial for victims to have a central point of information on the various recovery programs and support services available. The group discussed how FEMA appears to be the initial point of entry for most victims, so maybe FEMA should be designated as the primary point of entry. Further discussion focused on referrals after FEMA registration for issues such as education and health care.

McKeen asked the group to look at the RIAC's fourth subsequent recommendation – does the state need to undertake floodplain and watershed management projects on a regional and/or local level?

The Task Force discussed statewide land use policy. The Task Force agreed that land use and watershed decisions made at the local levels impact neighboring communities and individuals. A Task Force member suggested the Task Force recommend no new development within the 500-year floodplain. The group agreed on this recommendation.

The Task Force discussed how to support communities in coordinating planning along the lines of a statewide land use policy. Incentives or disincentives were suggested, such as tying the potential for disaster relief to decisions to build in a floodplain. A Task Force member acknowledged the need for updated flood mapping before land use planning can be decided. It was noted that many communities do not develop such policies because of lack of capacity. The need to provide resources to communities to develop land use policy must be included with any legislative mandate.

McKeen asked the group to discuss insurance within floodplains and potential for disaster relief. The Task Force discussed how flood insurance is funded and the implications for mandating flood insurance for certain properties. The Task Force agreed not to make a recommendation on this issue.

McKeen asked the group to discuss issues in housing such as universal design and expectations for recovery. The Task Force agreed that the goal should be to get people back into their original homes, but only if appropriate. The group discussed creative financing options for communities to rebuild, since many recovery programs may cover only rehab, and valuations related to bonding are not steady or accurate. The group also discussed renovating existing structures utilizing Historic Tax Credits to develop low-income housing and rental stock. A Resource Group member noted that in some cases the state and federal governments may need to step in because private markets will not meet the goals of some communities.

McKeen asked the group to identify what needs to be considered to meet the needs of the community. A Task Force member stated that smart development and energy efficiency should be critical components to rebuilding. Discussion re-focused on energy efficiency. The group agreed that energy efficiency had been assumed in all previous discussion. A Task Force member suggested including "green building" as a priority, as well. An example of green building is recycling cardboard containers used for building products and furnishings. A Task Force member suggested using IDEED's green community standards. The Task Force discussed the costs associated with building with energy efficiency and green building in mind. Such costs have the potential of stymieing building and rehab.

A Task Force member noted that a piece missing from the 45-Day Report was the magnitude of dollars needed for housing recovery. Davis explained that the Commission was asked not to assign dollar values to certain strategies and recommendations. The Task Force discussed including a dollar value to the housing rebuilding effort that must be undertaken statewide. Concern was raised about the slow progress of funds coming to affected areas, especially the Cedar Rapids area.

McKeen noted that it is not the intention of the RIO or RIAC to have affected areas fighting for recovery dollars and that Iowa has learned from the experience following the floods of 1993. The Task Force must understand that numbers are open to interpretation and, if the Task Force states dollar amounts or numbers of units, those numbers will be scrutinized. The charge to the RIAC was to assess impact and provide recommendations on how best to recover safer, stronger, and smarter.

The Task Force discussed how best to provide guidance to the Legislature for recovery. Some members agreed to include a dollar amount on minimum funds needed. The Task Force agreed that accountability for recovery and rebuilding is important, but there was not consensus on including a dollar figure.

Following discussion focused on priorities among the RIO task forces, and how best to state the importance of housing among the other competing priorities such as infrastructure and education. The Task Force agreed that housing is critical, but communities must also provide other critical services such as energy, education, and other municipal services.

Davis explained the process for developing consensus recommendations at the RIAC level. The task forces are not operating in a vacuum, so it has been recognized that housing and case

management are critical issues across all areas of recovery. What the RIAC must identify in the 120-Day Report is which elements must be included to plan for the long term.

McKeen asked the Task Force to discuss how they should proceed on communicating the level of need and urgency for housing? The Task Force agreed that getting people back in their original homes is the most important, long-term need, but that this would require dollars for rebuilding, case management, and other associated costs. The group discussed how best to support this goal. A Task Force member suggested supporting communities to plan and initiate rebuilding efforts. The state could support communities by bringing in contractors and housing experts.

A Task Force member asked that the group note the incidence of price gouging and other predatory practices.

McKeen asked the group to review the new issues they identified in the morning.

Self-assessment

The group agreed that self-assessment was part of case management. A Task Force member suggested that a single number a person could call would be beneficial.

Buyouts

McKeen asked the group if the Task Force recommendation is a recognition that the process has been significantly slowed due to waiting on funding dollars, and that this should be resolved quickly. The desire to do what is right must be acknowledged while also recognizing that individuals and small businesses need financial support quickly.

Abandoned Housing

The Task Force discussed the level of priority that should be assigned to abandoned housing. Abandoned housing falls into two categories: homes that will become health and safety issues and those homes that are abandoned but that may become health and safety concern. In order to access funds through the neighborhood stabilization program, properties must have been foreclosed on. The Task Force agreed that a review of expedited rules for emergency situations should be recommended to provide cities more flexibility in emergencies.

FEMA Park Homes

O'Hern stated that he would take this discussion back to FEMA. O'Hern noted that they would need this information as they look back on assessing the families they have in these homes.

Replacement Homes

McKeen noted that the Task Force had not discussed incentives for creation of replacement housing outside of the need to identify demand. The Task Force agreed that money was needed to stimulate development of replacement housing.

Affordable Housing

The Task Force agreed that a recommendation needs to note specifically that in developing new housing that not all units need to be single family and that mixed income development should be undertaken, as well.

Contractor Availability

The group discussed bringing in qualified contractors from surrounding states and how such workers' eligibility to work in Iowa should be expedited. The Task Force stated the need to

ensure that the contractors were of quality. It was suggested requiring these contractors to be vouched for by a local contractor.

Livability

The Task Force agreed to encourage rebuilding with livability of housing for all abilities and ages.

A Task Force member noted that they would like the Task Force to mention workforce housing. One reason that Newton was good for TPI is that there was housing available there for employees. The Task Force also mentioned that when considering new development that pre-flood rental prices be sustained. The current population as well as incoming contractors and inspectors should be considered when planning for workforce housing.

Final Comments

McKeen asked the group to bring their discussion to a close. The notes from the discussion today will be the single product to come from each of the task forces. The notes will go to the members for comment, but no report will be written. A single Task Force Report will be developed that compiles the discussions of all the task forces. This Report is due to the RIAC on October 31, 2008.

Davis and Lopez-Castillo thanked the Task Force and Resource Group members for their work and wished them a safe trip home.